

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

March 29, 2000

LB 1067

that you need to be aware of for this bill is as follows. The State Board of Equalization, which we now call the State Tax Board, the State Board of Equalization consisting of the constitutional officers and the commissioner or the Revenue Department commissioner...or the State Tax Board, they used to be the State Board of Equalization, they used to meet after the Legislature was over and they would set the sales and income tax rate, or at least the income tax rate for this state, to generate enough money. Used to be we didn't set the tax rates. State Board of Equalization set the tax rate, enough money to be generated to run the state based on what we thought there should be for spending. Over the years, the Legislature took that power away from the State Board of Equalization. Then, in the mid-nineties, early to mid-nineties, the issue of property tax valuations and equalization uniformity across the state came into play. This Legislature, through a constitutional amendment, eliminated the constitutional references to the State Board of Equalization. The voters took out any reference to the State Board of Equalization from the constitution. The next year we came in with the Revenue Committee and established the Tax Equalization and Review Commission, which took over statewide duties for assessments, assessment practice, uniformity of property tax, and property tax appeals. The TERC now is a very integral part and hardly a session goes by that we don't look at what the TERC does, why it does, and how it does. The sole remaining duty left, when we created the TERC, there was a great discussion of, well, what's left for the State Board of Equalization to do? All they do is set the variable fuel rate and that's a ministerial job. The Department of Roads comes in, certifies to them the figures and the facts that they need; consumption, the price of fuel that was paid during two months of the preceding six-month period of time. That calculation was given to them for a rate. That rate was applied to the number of gallons that was consumed in the prior period of time and you came up with an eventual calculation of a price per gallon that was needed, but that was a ministerial duty. State Tax Board would meet, they'd receive the information, they would approve the changes up or down on the variable tax that would be needed for the next six-month period to generate the proper amount of money. That worked well until the mid...well, actually, it was the early nineties. The State Board of Equalization began to experience, I believe in 1994, for the